

117TH CONGRESS
2D SESSION

H. R. 7700

To amend the Internal Revenue Code of 1986 to provide for additional recovery rebates to taxpayers.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2022

Mrs. CHERFILUS-MC CORMICK introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for additional recovery rebates to taxpayers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “People’s Prosperity
5 Act”.

6 SEC. 2. 2022 RECOVERY REBATES TO INDIVIDUALS.

7 (a) IN GENERAL.—Subchapter B of chapter 65 of the
8 Internal Revenue Code of 1986 is amended by inserting
9 after section 6428B the following new section:

1 **“SEC. 6428C. 2022 RECOVERY REBATES TO INDIVIDUALS.**

2 “(a) IN GENERAL.—In the case of an eligible indi-
3 vidual, there shall be allowed as a credit against the tax
4 imposed by subtitle A for the first taxable year beginning
5 in 2022 an amount equal to the 2022 rebate amount de-
6 termined for such taxable year.

7 “(b) 2022 REBATE AMOUNT.—For purposes of this
8 section, the term ‘2022 rebate amount’ means, with re-
9 spect to any taxpayer for any taxable year, \$1,000 (\$2,000
10 in the case of a joint return or surviving spouse).

11 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
12 section, the term ‘eligible individual’ means any individual
13 other than—

14 “(1) any nonresident alien individual,
15 “(2) any individual with respect to whom a de-
16 duction under section 151 is allowable to another
17 taxpayer for a taxable year beginning in the cal-
18 endar year in which the individual’s taxable year be-
19 gins, and

20 “(3) an estate or trust.

21 “(d) LIMITATION BASED ON ADJUSTED GROSS IN-
22 COME.—

23 “(1) IN GENERAL.—The amount of the credit
24 allowed by subsection (a) (determined without re-
25 gard to this subsection and subsection (f)) shall be
26 reduced (but not below zero) by the amount which

1 bears the same ratio to such credit (as so deter-
2 mined) as—

3 “(A) the excess of—

4 “(i) the taxpayer’s modified adjusted
5 gross income for such taxable year, over

6 “(ii) \$75,000, bears to

7 “(B) \$5,000.

8 “(2) SPECIAL RULES.—

9 “(A) JOINT RETURN OR SURVIVING
10 SPOUSE.—In the case of a joint return or a sur-
11 viving spouse (as defined in section 2(a)), para-
12 graph (1) shall be applied by substituting
13 ‘\$150,000’ for ‘\$75,000’ and ‘\$10,000’ for
14 ‘\$5,000’.

15 “(B) HEAD OF HOUSEHOLD.—In the case
16 of a head of household (as defined in section
17 2(b)), paragraph (1) shall be applied by sub-
18 stituting ‘\$112,500’ for ‘\$75,000’ and ‘\$7,500’
19 for ‘\$5,000’.

20 “(e) DEFINITIONS AND SPECIAL RULES.—

21 “(1) IDENTIFICATION NUMBER REQUIRE-
22 MENT.—

23 “(A) IN GENERAL.—In the case of a re-
24 turn other than a joint return, the \$1,000
25 amount in subsection (b) shall be treated as

1 being zero unless the taxpayer includes the
2 valid identification number of the taxpayer on
3 the return of tax for the taxable year.

4 “(B) JOINT RETURNS.—In the case of a
5 joint return, the \$2,000 amount in subsection
6 (b) shall be treated as being—

7 “(i) \$1,000 if the valid identification
8 number of only 1 spouse is included on the
9 return of tax for the taxable year, and

10 “(ii) zero if the valid identification
11 number of neither spouse is so included.

12 “(C) VALID IDENTIFICATION NUMBER.—

13 “(i) IN GENERAL.—For purposes of
14 this paragraph, the term ‘valid identifica-
15 tion number’ means a social security num-
16 ber issued to an individual by the Social
17 Security Administration on or before the
18 due date for filing the return for the tax-
19 able year.

20 “(ii) ADOPTION TAXPAYER IDENTI-
21 FICATION NUMBER.—For purposes of sub-
22 paragraph (C), in the case of a dependent
23 who is adopted or placed for adoption, the
24 term ‘valid identification number’ shall in-

1 clude the adoption taxpayer identification
2 number of such dependent.

3 “(D) SPECIAL RULE FOR MEMBERS OF
4 THE ARMED FORCES.—Subparagraph (B) shall
5 not apply in the case where at least 1 spouse
6 was a member of the Armed Forces of the
7 United States at any time during the taxable
8 year and the valid identification number of at
9 least 1 spouse is included on the return of tax
10 for the taxable year.

11 “(E) COORDINATION WITH CERTAIN AD-
12 VANCE PAYMENTS.—In the case of any payment
13 made pursuant to subsection (g)(6), a valid
14 identification number shall be treated for pur-
15 poses of this paragraph as included on the tax-
16 payer’s return of tax if such valid identification
17 number is provided pursuant to such sub-
18 section.

19 “(F) MATHEMATICAL OR CLERICAL ERROR
20 AUTHORITY.—Any omission of a correct valid
21 identification number required under this para-
22 graph shall be treated as a mathematical or
23 clerical error for purposes of applying section
24 6213(g)(2) to such omission.

1 “(2) CREDIT TREATED AS REFUNDABLE.—The
2 credit allowed by subsection (a) shall be treated as
3 allowed by subpart C of part IV of subchapter A of
4 chapter 1.

5 “(f) COORDINATION WITH ADVANCE REFUNDS OF
6 CREDIT.—

7 “(1) REDUCTION OF REFUNDABLE CREDIT.—
8 The amount of the credit which would (but for this
9 paragraph) be allowable under subsection (a) shall
10 be reduced (but not below zero) by the aggregate re-
11 funds and credits made or allowed to the taxpayer
12 (or any dependent of the taxpayer) under subsection
13 (g). Any failure to so reduce the credit shall be
14 treated as arising out of a mathematical or clerical
15 error and assessed according to section 6213(b)(1).

16 “(2) JOINT RETURNS.—Except as otherwise
17 provided by the Secretary, in the case of a refund
18 or credit made or allowed under subsection (g) with
19 respect to a joint return, half of such refund or cred-
20 it shall be treated as having been made or allowed
21 to each individual filing such return.

22 “(g) ADVANCE REFUNDS AND CREDITS.—

23 “(1) IN GENERAL.—Subject to paragraphs (5)
24 and (6), each individual who was an eligible indi-
25 vidual for such individual’s first taxable year begin-

1 ning in 2020 shall be treated as having made a pay-
2 ment against the tax imposed by chapter 1 for such
3 taxable year in an amount equal to the advance re-
4 fund amount for such taxable year.

5 **(2) ADVANCE REFUND AMOUNT.—**

6 **(A) IN GENERAL.—**For purposes of para-
7 graph (1), the advance refund amount is the
8 amount that would have been allowed as a cred-
9 it under this section for such taxable year if
10 this section (other than subsection (f) and this
11 subsection) had applied to such taxable year.

12 **(B) TREATMENT OF DECEASED INDIVID-
13 UALS.—**For purposes of determining the ad-
14 vance refund amount with respect to such tax-
15 able year, any individual who was deceased be-
16 fore January 1, 2022, shall be treated for pur-
17 poses of applying subsection (e)(3) in the same
18 manner as if the valid identification number of
19 such person was not included on the return of
20 tax for such taxable year and no amount shall
21 be determined under subsection (e)(3) with re-
22 spect to any dependent of the taxpayer if the
23 taxpayer (both spouses in the case of a joint re-
24 turn) was deceased before January 1, 2022.

25 **(3) TIMING AND MANNER OF PAYMENTS.—**

1 “(A) TIMING.—The Secretary shall, sub-
2 ject to the provisions of this title and consistent
3 with rules similar to the rules of subparagraphs
4 (B) and (C) of section 6428A(f)(3), refund or
5 credit any overpayment attributable to this sub-
6 section as rapidly as possible, consistent with a
7 rapid effort to make payments attributable to
8 such overpayments electronically if appropriate.
9 No refund or credit shall be made or allowed
10 under this subsection after December 31, 2022.

11 “(4) NO INTEREST.—No interest shall be al-
12 lowed on any overpayment attributable to this sub-
13 section.

14 “(5) APPLICATION TO INDIVIDUALS WHO HAVE
15 FILED A RETURN OF TAX FOR 2021.—

16 “(A) APPLICATION TO 2021 RETURNS
17 FILED AT TIME OF INITIAL DETERMINATION.—
18 If, at the time of any determination made pur-
19 suant to paragraph (3), the individual referred
20 to in paragraph (1) has filed a return of tax for
21 the individual’s first taxable year beginning in
22 2021, paragraph (1) shall be applied with re-
23 spect to such individual by substituting ‘2021’
24 for ‘2020’.

25 “(B) ADDITIONAL PAYMENT.—

1 “(i) IN GENERAL.—In the case of any
2 individual who files, before the additional
3 payment determination date, a return of
4 tax for such individual’s first taxable year
5 beginning in 2021, the Secretary shall
6 make a payment (in addition to any pay-
7 ment made under paragraph (1)) to such
8 individual equal to the excess (if any) of—

9 “(I) the amount which would be
10 determined under paragraph (1)
11 (after the application of subparagraph
12 (A)) by applying paragraph (1) as of
13 the additional payment determination
14 date, over

15 “(II) the amount of any payment
16 made with respect to such individual
17 under paragraph (1).

18 “(ii) ADDITIONAL PAYMENT DETER-
19 MINATION DATE.—The term ‘additional
20 payment determination date’ means the
21 earlier of—

22 “(I) the date which is 90 days
23 after the 2021 calendar year filing
24 deadline, or

25 “(II) September 1, 2022.

1 “(iii) 2021 CALENDAR YEAR FILING
2 DEADLINE.—The term ‘2020 calendar year
3 filing deadline’ means the date specified in
4 section 6072(a) with respect to returns for
5 calendar year 2021. Such date shall be de-
6 termined after taking into account any pe-
7 riod disregarded under section 7508A if
8 such disregard applies to substantially all
9 returns for calendar year 2021 to which
10 section 6072(a) applies.

11 “(6) APPLICATION TO CERTAIN INDIVIDUALS
12 WHO HAVE NOT FILED A RETURN OF TAX FOR 2020
13 OR 2021 AT TIME OF DETERMINATION.—In the case
14 of any individual who, at the time of any determina-
15 tion made pursuant to paragraph (3), has filed a tax
16 return for neither the year described in paragraph
17 (1) nor for the year described in paragraph (5)(A),
18 the Secretary shall, consistent with rules similar to
19 the rules of section 6428A(f)(5)(H)(i), apply para-
20 graph (1) on the basis of information available to
21 the Secretary and shall, on the basis of such infor-
22 mation, determine the advance refund amount with
23 respect to such individual without regard to sub-
24 section (d) unless the Secretary has reason to know

1 that such amount would otherwise be reduced by
2 reason of such subsection.

3 “(7) SPECIAL RULE RELATED TO TIME OF FIL-
4 ING RETURN.—Solely for purposes of this sub-
5 section, a return of tax shall not be treated as filed
6 until such return has been processed by the Internal
7 Revenue Service.

8 “(h) REGULATIONS.—The Secretary shall prescribe
9 such regulations or other guidance as may be necessary
10 or appropriate to carry out the purposes of this section,
11 including—

12 “(1) regulations or other guidance providing
13 taxpayers the opportunity to provide the Secretary
14 information sufficient to allow the Secretary to make
15 payments to such taxpayers under subsection (g)
16 (including the determination of the amount of such
17 payment) if such information is not otherwise avail-
18 able to the Secretary, and

19 “(2) regulations or other guidance to ensure to
20 the maximum extent administratively practicable
21 that, in determining the amount of any credit under
22 subsection (a) and any credit or refund under sub-
23 section (g), an individual is not taken into account
24 more than once, including by different taxpayers and
25 including by reason of a change in joint return sta-

1 tus or dependent status between the taxable year for
2 which an advance refund amount is determined and
3 the taxable year for which a credit under subsection
4 (a) is determined.

5 “(i) OUTREACH.—The Secretary shall carry out a ro-
6 bust and comprehensive outreach program to ensure that
7 all taxpayers described in subsection (h)(1) learn of their
8 eligibility for the advance refunds and credits under sub-
9 section (g), are advised of the opportunity to receive such
10 advance refunds and credits as provided under subsection
11 (h)(1), and are provided assistance in applying for such
12 advance refunds and credits.”.

13 (b) TREATMENT OF CERTAIN POSSESSIONS.—

14 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
15 CODE TAX SYSTEMS.—The Secretary of the Treas-
16 ury shall pay to each possession of the United States
17 which has a mirror code tax system amounts equal
18 to the loss (if any) to that possession by reason of
19 the amendments made by this section. Such
20 amounts shall be determined by the Secretary of the
21 Treasury based on information provided by the gov-
22 ernment of the respective possession.

23 (2) PAYMENTS TO OTHER POSSESSIONS.—The
24 Secretary of the Treasury shall pay to each posses-
25 sion of the United States which does not have a mir-

1 ror code tax system amounts estimated by the Sec-
2 retary of the Treasury as being equal to the aggre-
3 gate benefits (if any) that would have been provided
4 to residents of such possession by reason of the
5 amendments made by this section if a mirror code
6 tax system had been in effect in such possession.
7 The preceding sentence shall not apply unless the re-
8 spective possession has a plan, which has been ap-
9 proved by the Secretary of the Treasury, under
10 which such possession will promptly distribute such
11 payments to its residents.

12 (3) COORDINATION WITH CREDIT ALLOWED
13 AGAINST UNITED STATES INCOME TAXES.—No cred-
14 it shall be allowed against United States income
15 taxes under section 6428C of the Internal Revenue
16 Code of 1986 (as added by this section), nor shall
17 any credit or refund be made or allowed under sub-
18 section (g) of such section, to any person—

19 (A) to whom a credit is allowed against
20 taxes imposed by the possession by reason of
21 the amendments made by this section, or

22 (B) who is eligible for a payment under a
23 plan described in paragraph (2).

24 (4) MIRROR CODE TAX SYSTEM.—For purposes
25 of this subsection, the term “mirror code tax sys-

1 tem” means, with respect to any possession of the
2 United States, the income tax system of such posses-
3 sion if the income tax liability of the residents of
4 such possession under such system is determined by
5 reference to the income tax laws of the United
6 States as if such possession were the United States.

7 (5) TREATMENT OF PAYMENTS.—For purposes
8 of section 1324 of title 31, United States Code, the
9 payments under this subsection shall be treated in
10 the same manner as a refund due from a credit pro-
11 vision referred to in subsection (b)(2) of such sec-
12 tion.

13 (c) ADMINISTRATIVE PROVISIONS.—

14 (1) DEFINITION OF DEFICIENCY.—Section
15 6211(b)(4)(A) of the Internal Revenue Code of 1986
16 is amended by striking “6428, 6428A, and 6428B”
17 and inserting “6428, 6428A, 6428B, and 6428C”.

18 (2) MATHEMATICAL OR CLERICAL ERROR AU-
19 THORITY.—Section 6213(g)(2) of such Code is
20 amended—

21 (A) by striking “or section 6428A or
22 6428B (relating to additional recovery rebates
23 to individuals)” and inserting “or section
24 6428A, 6428B, or 6428C”, and

1 (B) by striking “6428, 6428A, or 6428B”
2 and inserting “6428, 6428A, 6428B, or
3 6428C” in subparagraph (L).

4 (3) EXCEPTION FROM REDUCTION OR OFF-
5 SET.—Any credit or refund allowed or made to any
6 individual by reason of section 6428C of the Internal
7 Revenue Code of 1986 (as added by this section) or
8 by reason of subsection (b) of this section shall not
9 be—

10 (A) subject to reduction or offset pursuant
11 to section 3716 or 3720A of title 31, United
12 States Code,

13 (B) subject to reduction or offset pursuant
14 to subsection (c), (d), (e), or (f) of section 6402
15 of the Internal Revenue Code of 1986, or

16 (C) reduced or offset by other assessed
17 Federal taxes that would otherwise be subject
18 to levy or collection.

19 (4) ASSIGNMENT OF BENEFITS.—

20 (A) IN GENERAL.—The right of any per-
21 son to any applicable payment shall not be
22 transferable or assignable, at law or in equity,
23 and no applicable payment shall be subject to,
24 execution, levy, attachment, garnishment, or

1 other legal process, or the operation of any
2 bankruptcy or insolvency law.

3 (B) ENCODING OF PAYMENTS.—In the
4 case of an applicable payment described in sub-
5 paragraph (E)(iii)(I) that is paid electronically
6 by direct deposit through the Automated Clear-
7 ing House (ACH) network, the Secretary of the
8 Treasury (or the Secretary's delegate) shall—

9 (i) issue the payment using a unique
10 identifier that is reasonably sufficient to
11 allow a financial institution to identify the
12 payment as an applicable payment, and

13 (ii) further encode the payment pursu-
14 ant to the same specifications as required
15 for a benefit payment defined in section
16 212.3 of title 31, Code of Federal Regula-
17 tions.

18 (C) GARNISHMENT.—

19 (i) ENCODED PAYMENTS.—In the case
20 of a garnishment order that applies to an
21 account that has received an applicable
22 payment that is encoded as provided in
23 subparagraph (B), a financial institution
24 shall follow the requirements and proce-

1 dures set forth in part 212 of title 31,
2 Code of Federal Regulations, except—

3 (I) notwithstanding section 212.4
4 of title 31, Code of Federal Regula-
5 tions (and except as provided in sub-
6 clause (II)), a financial institution
7 shall not fail to follow the procedures
8 of sections 212.5 and 212.6 of such
9 title with respect to a garnishment
10 order merely because such order has
11 attached, or includes, a notice of right
12 to garnish federal benefits issued by a
13 State child support enforcement agen-
14 cy, and

15 (II) a financial institution shall
16 not, with regard to any applicable
17 payment, be required to provide the
18 notice referenced in sections 212.6
19 and 212.7 of title 31, Code of Federal
20 Regulations.

21 (ii) OTHER PAYMENTS.—If a financial
22 institution receives a garnishment order
23 (other than an order that has been served
24 by the United States), that has been re-
25 ceived by a financial institution and that

1 applies to an account into which an applic-
2 able payment that has not been encoded
3 as provided in subparagraph (B) has been
4 deposited electronically or by an applicable
5 payment that has been deposited by check
6 on any date in the lookback period, the fi-
7 nancial institution, upon the request of the
8 account holder, shall treat the amount of
9 the funds in the account at the time of the
10 request, up to the amount of the applicable
11 payment (in addition to any amounts oth-
12 erwise protected under part 212 of title 31,
13 Code of Federal Regulations), as exempt
14 from a garnishment order without requir-
15 ing the consent of the party serving the
16 garnishment order or the judgment cred-
17 itor.

18 (iii) **LIABILITY.**—A financial institu-
19 tion that acts in good faith in reliance on
20 clauses (i) or (ii) shall not be subject to li-
21 ability or regulatory action under any Fed-
22 eral or State law, regulation, court or other
23 order, or regulatory interpretation for ac-
24 tions concerning any applicable payments.

1 (D) PRESERVATION OF RECLAMATION
2 RIGHTS.—This paragraph shall not alter the
3 status of applicable payments as tax refunds or
4 other nonbenefit payments for purpose of any
5 reclamation rights of the Department of the
6 Treasury or the Internal Revenue Service as
7 per part 210 of title 31, Code of Federal Regu-
8 lations.

9 (E) DEFINITIONS.—For purposes of this
10 paragraph—

11 (i) ACCOUNT HOLDER.—The term
12 “account holder” means a natural person
13 whose name appears in a financial institu-
14 tion’s records as the direct or beneficial
15 owner of an account.

16 (ii) ACCOUNT REVIEW.—The term
17 “account review” means the process of ex-
18 amining deposits in an account to deter-
19 mine if an applicable payment has been de-
20 posited into the account during the
21 lookback period. The financial institution
22 shall perform the account review following
23 the procedures outlined in section 212.5 of
24 title 31, Code of Federal Regulations and
25 in accordance with the requirements of sec-

1 tion 212.6 of title 31, Code of Federal
2 Regulations.

3 (iii) APPLICABLE PAYMENT.—The
4 term “applicable payment” means—

5 (I) any advance refund amount
6 paid pursuant to section 6428C(g) of
7 Internal Revenue Code of 1986 (as
8 added by this section),

9 (II) any payment made by a pos-
10 session of the United States with a
11 mirror code tax system (as defined in
12 subsection (b) of this section) pursu-
13 ant to such subsection which cor-
14 responds to a payment described in
15 subclause (I), and

16 (III) any payment made by a
17 possession of the United States with-
18 out a mirror code tax system (as so
19 defined) pursuant to subsection (b) of
20 this section.

21 (iv) GARNISHMENT.—The term “gar-
22 nishment” means execution, levy, attach-
23 ment, garnishment, or other legal process.

24 (v) GARNISHMENT ORDER.—The term
25 “garnishment order” means a writ, order,

1 notice, summons, judgment, levy, or similar
2 written instruction issued by a court, a
3 State or State agency, a municipality or
4 municipal corporation, or a State child
5 support enforcement agency, including a
6 lien arising by operation of law for overdue
7 child support or an order to freeze the assets
8 in an account, to effect a garnishment
9 against a debtor.

10 (vi) LOOKBACK PERIOD.—The term
11 “lookback period” means the two month
12 period that begins on the date preceding
13 the date of account review and ends on the
14 corresponding date of the month two
15 months earlier, or on the last date of the
16 month two months earlier if the cor-
17 responding date does not exist.

18 (5) AGENCY INFORMATION SHARING AND AS-
19 SISTANCE.—

20 (A) IN GENERAL.—The Commissioner of
21 Social Security, the Railroad Retirement Board,
22 and the Secretary of Veterans Affairs shall each
23 provide the Secretary of the Treasury (or the
24 Secretary’s delegate) such information and as-
25 sistance as the Secretary of the Treasury (or

1 the Secretary's delegate) may require for pur-
2 poses of—

3 (i) making payments under section
4 6428C(g) of the Internal Revenue Code of
5 1986 to individuals described in paragraph
6 (6) thereof, or

7 (ii) providing administrative assist-
8 ance to a possession of the United States
9 (as defined in subsection (c)(3)(A)) to
10 allow such possession to promptly dis-
11 tribute payments under subsection (c) to
12 its residents.

13 (B) EXCHANGE OF INFORMATION WITH
14 POSSESSIONS.—Any information provided to the
15 Secretary of the Treasury (or the Secretary's
16 delegate) pursuant to subparagraph (A)(ii) may
17 be exchanged with a possession of the United
18 States in accordance with the applicable tax co-
19 ordination agreement for information exchange
20 and administrative assistance that the Internal
21 Revenue Service has agreed to with such pos-
22 session.

23 (6) CONFORMING AMENDMENTS.—

1 (A) Paragraph (2) of section 1324(b) of
2 title 31, United States Code, is amended by in-
3 serting “6428C,” after “6428B.”.

4 (B) The table of sections for subchapter B
5 of chapter 65 of the Internal Revenue Code of
6 1986 is amended by inserting after the item re-
7 lating to section 6428B the following new item:

“Sec. 6428C. 2022 recovery rebates to individuals.”.

8 (d) REPORTS TO CONGRESS.—Each week beginning
9 after the date of the enactment of this Act and beginning
10 before December 31, 2022, on Friday of such week, not
11 later than 3 p.m. eastern time, the Secretary of the Treas-
12 ury shall provide a written report to the Committee on
13 Ways and Means of the House of Representatives and the
14 Committee on Finance of the Senate. Such report shall
15 include the following information with respect to payments
16 made pursuant to section 6428C of the Internal Revenue
17 Code of 1986:

18 (1) The number of scheduled payments sent to
19 the Bureau of Fiscal Service for payment by direct
20 deposit or paper check for the following week (stated
21 separately for direct deposit and paper check).

22 (2) The total dollar amount of the scheduled
23 payments described in paragraph (1).

24 (3) The number of direct deposit payments re-
25 turned to the Department of the Treasury and the

1 total dollar value of such payments, for the week
2 ending on the day prior to the day on which the re-
3 port is provided.

4 (4) The total number of letters related to pay-
5 ments under section 6428C of such Code mailed to
6 taxpayers during the week ending on the day prior
7 to the day on which the report is provided.

○